

1 BILAL A. ESSAYLI
2 United States Attorney
3 CHRISTINA SHAY
4 Assistant United States Attorney
5 Chief, Criminal Division
6 ALEXANDER B. SCHWAB (Cal. Bar No. 283421)
7 Assistant United States Attorney
8 Deputy Chief, Criminal Division
9 HAOXIAOHAN CAI (Cal. Bar No. 331131)
10 Assistant United States Attorney
11 Major Frauds Section
12 LAUREN ARCHER
13 MATTHEW REILLY
14 Trial Attorneys
15 Criminal Division, Fraud Section
16 1200/1100 United States Courthouse
17 312 North Spring Street
18 Los Angeles, California 90012
19 Telephone: (213) 894-1259/0762
20 E-mail: alexander.schwab@usdoj.gov
21 haoxiaohan.cai@usdoj.gov

22 Attorneys for Intervenors
23 UNITED STATES OF AMERICA

24 UNITED STATES DISTRICT COURT

25 FOR THE CENTRAL DISTRICT OF CALIFORNIA

26 SECURITIES AND EXCHANGE
27 COMMISSION,

28 No. 2:24-cv-06311-SPG-RAO

29 GOVERNMENT'S MOTION TO INTERVENE
30 AND TO STAY DISCOVERY; MEMORANDUM
31 OF POINTS AND AUTHORITIES

32 Plaintiff,
33 v.
34 ANDREW LEFT and CITRON CAPITAL,
35 LLC,
36 Defendants.

37 The United States of America, by and through its counsel of
38 record, the United States Attorney for the Central District of
39 California, the Acting Chief of the Fraud Section of the Criminal
40 Division of the U.S. Department of Justice, Assistant United States
41 Attorneys Alexander B. Schwab and Haoxiaohan Cai and Trial Attorneys
42 Lauren Archer and Matthew Reilly, hereby file this motion to
43 intervene and to stay discovery in this action under Federal Rule of
44

1 Civil Procedure 24, pending resolution of United States v. Left,
2 2:24-cr-00456-TJH, an ongoing criminal prosecution of the same
3 defendant.

4 As proposed intervenor, the government conferred with the
5 parties to this action between May 28, 2025 and June 9, 2025, by
6 teleconference as well as email, regarding the government's intention
7 to file this motion. Plaintiff, the Securities and Exchange
8 Commission, takes no position with regard to this motion. Defendant
9 Andrew Left opposes the motion to stay.

10 Pursuant to L.R. 7-3, the government therefore files this
11 motion, which is based on the files and records in this case and in
12 United States v. Left, 2:24-cr-00456-TJH, and such further evidence
13 and argument as the Court may permit.

15 || Dated: July 8, 2025

Respectfully submitted,

16 BILAL A. ESSAYLI
United States Attorney

18 LORINDA I. LARYEA
Chief, Fraud Section
Criminal Division of DOJ

20 /s/
LAUREN ARCHER
MATTHEW REILLY

22 ALEXANDER B. SCHWAB
HAOXIAOHAN CAI

23 Attorneys for Intervenors
UNITED STATES OF AMERICA

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 The United States moves to intervene in this civil enforcement
4 action to stay discovery pending resolution of the parallel criminal
5 prosecution of defendant Andrew Left, currently set for trial in
6 March 2026.

7 While defendant Left opposes this stay, his opposition cannot
8 override the compelling judicial, governmental, and public interests
9 at stake. A temporary stay is warranted to preserve judicial
10 resources, prevent circumvention of the criminal discovery process,
11 and advance the public's interest in law enforcement and the
12 integrity of criminal actions. A stay would neither prejudice the
13 plaintiff - who does not oppose the stay and takes no position with
14 regard to it - nor burden defendant - who prefers to proceed with
15 parallel litigation. For these reasons, and those set forth below,
16 the Court should grant the government's motion and stay civil
17 discovery until the conclusion of the criminal case.

18 **II. FACTUAL BACKGROUND**

19 On July 25, 2024, a federal grand jury indicted defendant Andrew
20 Left on nineteen criminal counts arising from a securities fraud
21 scheme relating to at least 15 targeted companies that generated at
22 least \$16 million in illegal trading profits. Indictment at 33,
23 United States v. Left, 2:24-cr-00456-TJH (C.D. Cal. July 25, 2024),
24 ECF No. 1. The indictment charges defendant with one count of
25 securities fraud, in violation of 18 U.S.C. § 1348(1), seventeen
26 counts of securities fraud, in violation of 15 U.S.C. §§ 78j(b), 78ff
27 and 17 C.F.R. § 240.10b-5, and one count of making a false statement
28 to federal investigators, in violation of 18 U.S.C. § 1001(a)(2).

1 Trial is set for March 17, 2026 before the Honorable Terry J. Hatter
2 Jr.

3 On July 26, 2024, the Securities and Exchange Commission ("SEC")
4 filed this action against defendant Left and Citron Capital, LLC
5 ("Citron"), an investment vehicle controlled by Left, based on
6 substantially the same conduct. The complaint alleges that from
7 March 2018 to December 2020, defendants violated federal securities
8 laws by engaging in deceptive acts "relating to 23 target companies
9 on at least 26 occasions which allowed him to generate approximately
10 \$20 million in illegal trading profits through a scheme to defraud."
11 Compl. 2, ECF No. 1. Left and Citron are charged with violating
12 Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)],
13 Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C.
14 § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].
15 Additionally, the complaint charges Left with violating Section 20(a)
16 of the Securities Exchange Act of 1934 [15 U.S.C. § 78t(b)].

17 Defendant has already had nearly twelve months to prepare his
18 defense in this case. On October 10, 2024, defendant filed a motion
19 to dismiss, which was denied on April 22, 2025. On June 13, 2025,
20 defendant answered the complaint and generally denied the
21 allegations. (Answer, ECF No. 37.) This Court set a scheduling
22 conference for August 6, 2025. Scheduling Order, ECF No. 38.

23 The civil and criminal actions overlap substantially but differ
24 in scope. Both cases allege that defendant exploited his influence
25 as a popular financial commentator by issuing false and misleading
26 reports, tweets, and public statements designed to manipulate stock
27 prices, then trading against his own recommendations to capture
28 profits from the market movements he deliberately caused. Compl. ¶¶

1 5-6, 8; Indictment ¶¶ 5-7. Both this case and the criminal case also
2 allege that defendant targeted retail investors to maximize his
3 impact; that he used fake investor letters to advance the false
4 pretense that defendant successfully managed outside investors'
5 money; and that he concealed compensation from hedge funds to
6 fraudulently bolster his reputation as an independent publisher.
7 Compl. ¶¶ 7-8, 32-35, 38, 42, 65-66, 116, 147-77; Indictment ¶¶ 19h,
8 21, 27-28, 71-77, 86-103. However, the civil action alleges
9 deceptive acts occurring over a longer period of time and involving
10 more companies. Compl. Appx. A. Additionally, the criminal case
11 encompasses additional conduct, charging defendant with making false
12 statements to federal agents and other acts to conceal his crimes.
13 Indictment ¶¶ 20, 28, 104-06, 112-13.

14 The government now seeks to intervene and stay civil discovery
15 to prevent circumvention of criminal discovery rules and protect the
16 integrity of the ongoing prosecution.¹ Given the overlap of issues
17 between this case and the criminal case, the public interest in
18 permitting criminal prosecutions to proceed without circumvention of
19 criminal discovery that a parallel civil case threatens, and this
20 Court's interest in judicial economy, a stay is in the best interest
21 of justice. SEC v. Nicholas, 569 F. Supp. 2d 1065, 1069-72 (C.D.

22
23 ¹ Through an agreement with predecessor counsel for defendants,
24 the government had agreed to wait to intervene and file a motion to
25 stay until the motion to dismiss litigation had concluded. Based on
26 preliminary conversations with predecessor counsel, the government
27 was optimistic that defendants would consent to a stay. Prior to the
28 government's ability to reach an agreement with predecessor counsel,
defendants changed counsel. After providing a reasonable time for
defendants to become familiar with the case, the government inquired
whether defendants would consent to a stay. They will not.
Therefore, with the motion to dismiss litigation complete, new
counsel settled on the case, and the commencement of discovery on the
horizon, the government's motion is now ripe.

1 Cal. 2008) (permitting intervention and staying discovery,
2 emphasizing "public has an interest in ensuring the criminal
3 discovery process is not subverted"); see SEC v. Garelick, 2023 WL
4 8602840, at **2-6 (S.D.N.Y. Dec. 12, 2023) (permitting intervention
5 and staying discovery, emphasizing need "to protect the integrity of
6 the criminal justice process").

7 **III. LEGAL STANDARD**

8 A. Motion to Intervene

9 Federal Rule of Civil Procedure 24 permits intervention by a
10 third party to a lawsuit, both as a right and with the Court's
11 permission. Fed. R. Civ. P. 24(a)-(b). In the Ninth Circuit, the
12 party seeking intervention as a right must satisfy four requirements:
13 (1) it has a significant protectable interest as to the property or
14 transaction that is the subject of the action; (2) the disposition of
15 the action may, as a practical matter, impair or impede the
16 applicant's ability to protect its interest; (3) the application is
17 timely; and (4) the existing parties may not adequately meet the
18 applicant's interest. Cal. Dep't of Toxic Substances Control v. Jim
19 Dobbas, Inc., 54 F.4th 1078, 1086 (9th Cir. 2022).

20 Alternatively, intervention is permitted when the movant
21 presents: "(1) an independent ground for jurisdiction; (2) a timely
22 motion; and (3) a common question of law and fact between the
23 movant's claim or defense and the main action." Callahan v.
24 Brookdale Senior Living Cmtys., Inc., 42 F.4th 1013, 1022 (9th Cir.
25 2022) (quoting Freedom from Religion Found., Inc. v. Geithner, 644
26 F.3d 836, 843 (9th Cir. 2011)).

27 Whether asserting a right to intervene or seeking leave to do
28 so, "Rule 24 traditionally receives liberal construction in favor of

1 applicants for intervention." Arakaki v. Cayetano, 324 F.3d 1078,
2 1083 (9th Cir. 2003).

3 B. Motion to Stay

4 The Court has discretion to stay civil proceedings, in the face
5 of a parallel criminal proceeding, "when the interests of justice
6 seem to require such action." Keating v. Office of Thrift
7 Supervision, 45 F.3d 322, 324 (9th Cir. 1995) (cleaned up). As
8 Keating explains, the Court:

9 should consider the extent to which the defendant's Fifth
10 Amendment rights are implicated. In addition, the
11 decisionmaker should generally consider the following
12 factors: (1) the interest of the plaintiffs in proceeding
13 expeditiously with this litigation or any particular aspect
14 of it, and the potential prejudice to plaintiffs of a
15 delay; (2) the burden which any particular aspect of
16 the proceedings may impose on defendants; (3) the
convenience of the court in the management of its cases,
and the efficient use of judicial resources; (4) the
interests of persons not parties to the civil litigation;
and (5) the interest of the public in the pending civil and
criminal litigation.

17 45 F.3d at 324-25 (cleaned up).

18 In weighing the Keating factors, "a trial judge should give
19 substantial weight to [the public interest in law enforcement] in
20 balancing the policy against the right of a civil litigant to a
21 reasonably prompt determination of his civil claims or liabilities."
22 Bureerong v. Uvawas, 167 F.R.D. 83, 87 (C.D. Cal. 1996) (cleaned up);
23 see also Baker v. SeaWorld Entertainment, Inc., Case No. 14-cv-2129-
24 MMA (AGS), 2018 WL 1726534, at *3 (S.D. Cal. Apr. 10, 2018).

25 **IV. ARGUMENT**

26 A. Intervention under Rule 24 Is Proper

1 The government has both a right to intervene under Federal Rule
2 of Civil Procedure 24(a) and good cause for permissive intervention
3 under Rule 24(b).

4 As established by the Ninth Circuit, the government satisfies
5 all four requirements for intervention as of right under Federal Rule
6 of Civil Procedure 24(a). First, the government's motion is timely,
7 because the parties have not yet commenced discovery. See, e.g., SEC
8 v. Holcom, No. 12-CV-1623-H (JMA), 2013 WL 12073831, at *2 (S.D. Cal.
9 Sept. 6, 2013) (finding action timely where parties had "engaged in
10 little, if any, discovery"). Second, the government has a "distinct
11 and discernable interest in intervening in order to prevent discovery
12 in the civil case from being used to circumvent the more limited
13 scope of discovery in the criminal matter." Id. Third, the
14 disposition of the action may, as a practical matter, impair or
15 impede the government's ability to protect its interest. Fourth,
16 "neither the [p]laintiffs nor the [d]efendants have this identical
17 interest," and as such, may not adequately represent the government's
18 interest. Id.

19 Intervention is also clearly appropriate under Rule 24(b) (1) (B).
20 In addition to the Ninth Circuit's instruction that applications to
21 intervene be liberally construed in favor of the intervenor, "[i]t is
22 well established that the United States Attorney may intervene in a
23 federal civil action to seek a stay of discovery when there is a
24 parallel criminal proceeding, which is anticipated or already
25 underway that involves common questions of law or fact." SEC v.
26 Garellick, No. 23 Civ. 5567 (PGG), 2023 WL 8602840, at *2 (S.D.N.Y.
27 Dec. 12, 2023) (internal quotation marks omitted); see also Bureerong
28 v. Uvawas, 167 F.R.D. 83, 86 (C.D. Cal. 1996) (collecting cases).

1 There are common questions of law and fact between this case and the
2 criminal case because the same alleged fraud scheme forms the basis
3 of both actions. Accordingly, the government's motion to intervene
4 should be granted.

5 B. A Stay Is in the Interest of Justice

6 Weighing the Keating factors, a stay of discovery is appropriate
7 and in the interest of justice. Keating, 45 F.3d at 326.

8 1. Defendant's Fifth Amendment Rights

9 Under Keating, the Court first considers "the extent to which
10 the defendant's Fifth Amendment rights are implicated." Id.
11 Defendant Left has not invoked his Fifth Amendment rights in his
12 Answer or in his testimony before the SEC involving the issues in
13 this litigation. Because defendant already testified before the SEC
14 prior to the criminal and civil cases being filed, and has not
15 invoked the Fifth Amendment, this factor is not at issue here.

16 2. A Stay Does Not Prejudice Plaintiff

17 Next, the Court considers the plaintiff's interest in proceeding
18 expeditiously with this litigation and the potential prejudice that
19 would result from a delay. Here, the SEC has not objected to the
20 request for a stay, which weighs in favor of finding that it will not
21 be prejudiced by the proposed stay. Additionally, a brief, limited
22 stay of discovery will neither materially delay the civil proceedings
23 nor impose any substantial prejudice on the parties. See, e.g., SEC
24 v. Christian Stanley, Inc., No. CV 11-7147 GHK, 2012 WL 13009158, at
25 *4 (C.D. Cal. Sept. 6, 2012) ("Where a party seeks to intervene
26 solely for the purpose of requesting a stay in the proceedings, the
27 prejudice of intervention on the original parties is minimal."). At
28 the conclusion of the criminal case, the stay would be lifted and the

1 parties would have an opportunity to engage in full discovery. See,
2 e.g., Baker, 2018 WL 1726534, at *3 (granting stay of discovery in
3 securities action where government sought stay limited to a defined
4 period of time). This factor weighs in favor of granting a stay.

5 3. A Stay Neither Prejudices Nor Burdens Defendant

6 The Court considers next "the burden which any particular aspect
7 of the proceedings may impose on defendants," specifically, whether
8 allowing parallel proceedings would deprive defendants of "ample time
9 to prepare [their] defense . . . and that the decision not to stay
10 the hearing [would] not unduly compromise [defendant's] due process
11 rights. Keating, 45 F.3d at 325. In this case, a stay of discovery
12 would not burden defendant. First, defendant cannot claim prejudice
13 from a temporary stay when the criminal trial is scheduled for March
14 2026 – just months away – after which full civil discovery can
15 proceed unimpeded. See SEC v. Downe, No. 1:92-CV-4092-PKL, 1993 WL
16 22126, at *13 (S.D.N.Y. Jan. 26, 1993) (finding defendants failed to
17 demonstrate "any prejudice if all discovery is stayed . . . for a
18 limited duration"); SEC v. Chestman, 861 F.2d 49, 50 (2d Cir. 1988))
19 ("[A]ppropriate opportunities for discovery can be allowed when the
20 stay is lifted"); c.f., SEC v. ARVCO Cap. Rsch., LLC, No. 3:12-CV-
21 00221-MMD, 2013 WL 3779338, at *10 (D. Nev. July 16, 2013) (finding
22 stay would burden defendant where no criminal trial date had been
23 set), and recons. denied, 2014 WL 65764, at *4 (D. Nev. Jan. 6,
24 2014). Second, by opposing the stay, defendant has explicitly chosen
25 to shoulder the burden of defending both cases simultaneously,
26 thereby waiving any claim that such parallel proceedings are unduly
27 burdensome. See Christian Stanley, 2012 WL 13009158, at *4
28 ("[S]trictly speaking, this factor is not applicable when the

1 government is the party seeking stay and the defendant opposes it.”).
2 Accordingly, this factor weighs in favor of a stay.

3 4. Judicial Economy Weighs Strongly in Favor of a Stay

4 For the fourth factor, the Court considers whether granting a
5 stay would aid “the convenience of the court in the management of its
6 cases, and the efficient use of judicial resources.” Keating, 45
7 F.3d at 325. Considerations of judicial economy weigh most strongly
8 in favor of staying a civil proceeding or aspects of the civil
9 proceeding when a parallel criminal proceeding is pending at the same
10 time and involves overlapping issues. Christian Stanley, 2012 WL
11 13009158, at *5; see also Nicholas, 569 F. Supp. 2d at 1070-71.

12 Given the overlap of factual questions and legal issues between
13 this case and the criminal case, there is a likelihood that
14 “collateral estoppel may resolve common issues between the
15 proceedings, thereby streamlining the civil proceeding.” Id.; see
16 also Nicholas, 569 F. Supp. 2d at 1070 (“[C]ollateral estoppel in the
17 criminal case may expedite the resolution of the civil case.”). This
18 would “potentially pare down the issues to be determined in the civil
19 case and serve the interests of judicial economy by narrowing the
20 focus of the action to the benefit of the litigants.” Bureerong, 167
21 F.R.D. at 87. It would also give the Court the ability to focus on
22 other portions of its docket while hopefully benefiting from a
23 streamlining of this case in the future. Judicial economy weighs
24 strongly in favor of a stay.

25 5. The Government’s Interest Strongly Supports A Stay

26 The fifth factor the Court should consider are the interests of
27 nonparties to the civil litigation. Keating, 45 F.3d at 325. Here,
28 factual questions and issues that will be the subject of discovery in

1 this action are also central to the criminal prosecution. If
2 discovery is not stayed, defendant will be able to use civil
3 discovery to obtain testimony and documents that he could not obtain
4 in connection with the ongoing criminal proceeding, therefore
5 undermining the purposeful restrictions on criminal discovery. See
6 Nicholas, 569 F. Supp. 2d at 1071-72 (explaining criminal discovery
7 rules that litigants would seek to circumvent "are purposefully
8 limited so as to prevent perjury and manufactured evidence, to
9 protect potential witness[es] from harassment and intimidation, and
10 to level the playing field between the government and defendant, who
11 would be shielded from certain discovery by the Fifth Amendment");
12 Downe, 1993 WL 22126, at *12 ("[A] stay of discovery is often
13 necessary where liberal discovery rules will allow a litigant to
14 undermine, or gain an unfair advantage in, a potential criminal
15 prosecution"). The government's interest is compelling and weighs
16 strongly in favor of a stay.

17 6. A Stay Is in the Public's Interest

18 The public interest in the criminal investigation "overlaps
19 substantially" with the government's interest in protecting its
20 criminal investigation and is another significant factor weighing in
21 favor of a stay. Christian Stanley, 2012 WL 13009158, at *6. The
22 Ninth Circuit instructs that "a trial judge should give substantial
23 weight to the public interest in law enforcement" in balancing
24 against "the right of a civil litigant to a reasonably prompt
25 resolution of civil claims." Bureerong, 167 F.R.D. at 87 (quoting
26 Campbell, 307 F.2d at 487). Although "[t]he public also has an
27 interest in the timely resolution of the civil enforcement action
28 because the SEC is charged with protecting the stability of the

1 markets and the integrity of representations by its participants,"
2 Christian Stanley, 2012 WL 13009158, at *6, ultimately, "[t]he public
3 interest in protecting the integrity of the criminal actions and
4 advancing the speedy resolution of the criminal actions weighs in
5 favor of staying this civil action." Giguere, 2018 WL 9516048, at
6 *3. In addition, courts recognize the public interest in ensuring
7 that the "integrity and truth-seeking function of the criminal
8 [discovery] process" is not subverted. Nicholas, 569 F. Supp. 2d at
9 1072.

10 **V. CONCLUSION**

11 The balance of factors overwhelmingly supports granting the
12 government's requested stay. The fourth, fifth, and sixth Keating
13 factors decisively favor a stay: judicial resources will be
14 conserved, the integrity of criminal discovery protections will be
15 preserved, and the public interest in fair criminal proceedings will
16 be served. Additionally, factors two and three demonstrate no
17 cognizable prejudice or burden on the parties – the criminal trial is
18 set for March 2026, after which civil discovery can proceed in full,
19 and defendant has voluntarily chosen to bear any burden of parallel
20 proceedings by opposing this stay.

21 The government therefore respectfully requests that the Court
22 grant its motion to intervene and stay discovery in this case to
23 protect the integrity of the criminal prosecution.

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